

# Employment Security Commission of North Carolina



March 17, 2011  
Lynn R. Holmes  
Chairman

# Mission

The Employment Security Commission provides employment services, unemployment insurance, and labor market information to the State's workers, employers, and the public. These services promote economic stability and growth, development of a skilled workforce, and a world class economy for North Carolina.

# Employment Security Commission Services

- ◆ Services to North Carolina's Workers, Employers and the Public
  - ◆ Employment Services
  - ◆ Unemployment Insurance
  - ◆ Labor Market Information
- ◆ Provide temporary assistance to workers who have lost their jobs through no fault of their own
- ◆ Help to Stabilize the economy in times of economic downturn.

# Agency Funding

- ◆ United States Department of Labor
  - ◆ Employment and Training Administration (ETA)
    - ◆ Unemployment Insurance
    - ◆ Wagner-Peyser
    - ◆ Trade Act (TAA)
    - ◆ Reimbursable Grants (WOTC, Alien Certification)
    - ◆ Workforce Information
  - ◆ Veterans Employment & Training
    - ◆ LVER & DVOP
  - ◆ Bureau of Labor Statistics

# Customers

- ◆ Employers
- ◆ Job Seekers
  - ◆ Dislocated Workers
  - ◆ Veterans
  - ◆ Agricultural Workers
  - ◆ Older Workers
  - ◆ Disabled Workers
  - ◆ Students
  - ◆ Ex-Offenders
- ◆ Educational Professionals
- ◆ Economic Developers
- ◆ Workforce Development Professionals
- ◆ Government Officials
- ◆ Researchers
- ◆ Media

# ESC Operating Expenditures by Division

	<u>P2006</u>	<u>P2007</u>	<u>P2008</u>	<u>P2009</u>
Administration	22,291,876	23,376,008	21,835,804	24,793,959
Communications	2,942,220	3,025,133	2,993,950	3,156,255
Employment Services	57,227,248	55,476,807	58,851,639	69,393,729
Labor Market Information	3,674,660	3,529,066	3,019,210	3,422,819
Unemployment Insurance	30,773,999	34,123,876	45,213,205	52,044,742
Total Agency	116,910,003	119,530,890	131,913,808	152,811,504

# ESC Position Usage by Division

	<u>P2006</u>	<u>P2007</u>	<u>P2008</u>	<u>P2009</u>
Administration	187.53	184.49	185.93	188.36
Communications	34.81	32.44	32.80	30.19
Employment Services	794.63	723.87	961.99	1,120.43
Labor Market Information	55.13	51.04	45.34	48.57
Unemployment Insurance	497.87	496.56	588.62	647.51
Total Agency	1,569.97	1,488.40	1,814.68	2,035.06

# Employment Services

## ◆ Public Labor Exchange System

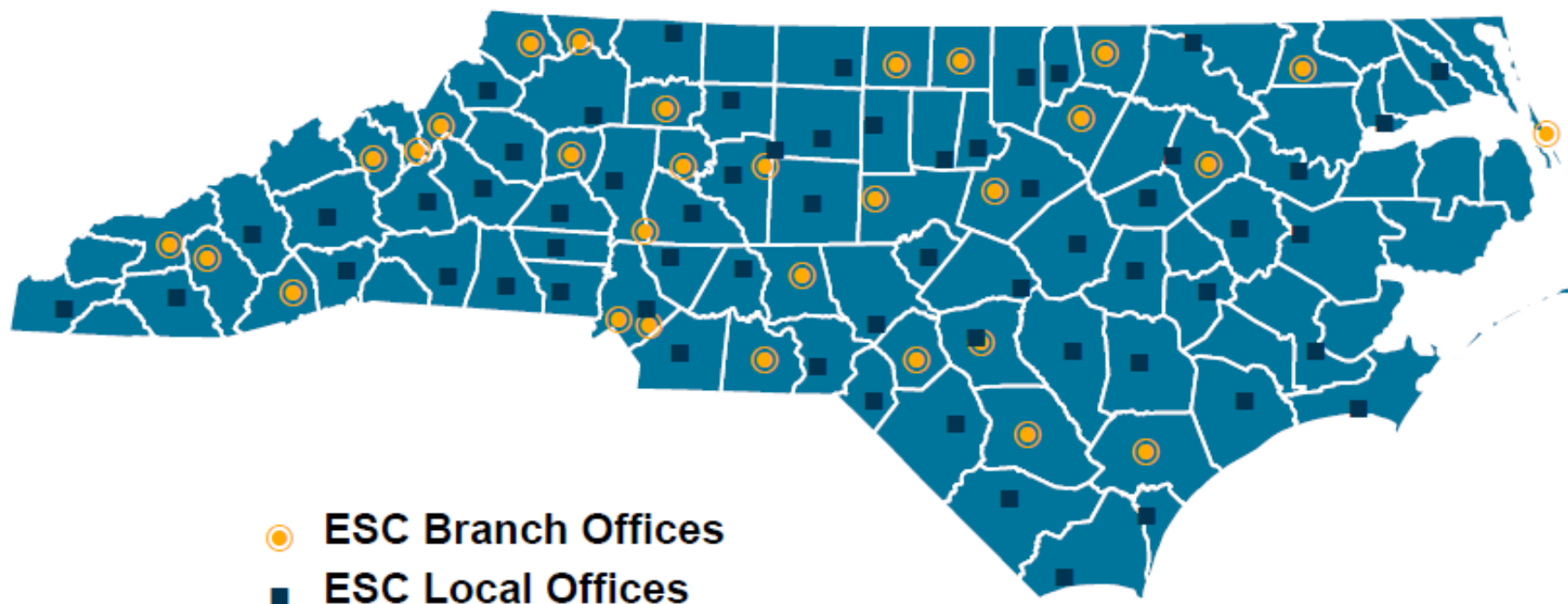
- ◆ Job Referral and Placement Assistance
- ◆ Re-employment Services
- ◆ Career Counseling
- ◆ Resume Preparation Assistance
- ◆ Assessment and Testing
- ◆ Referral to Training Services
- ◆ Referral to Supportive Services
- ◆ Trade Adjustment Assistance (TAA and RTAA)



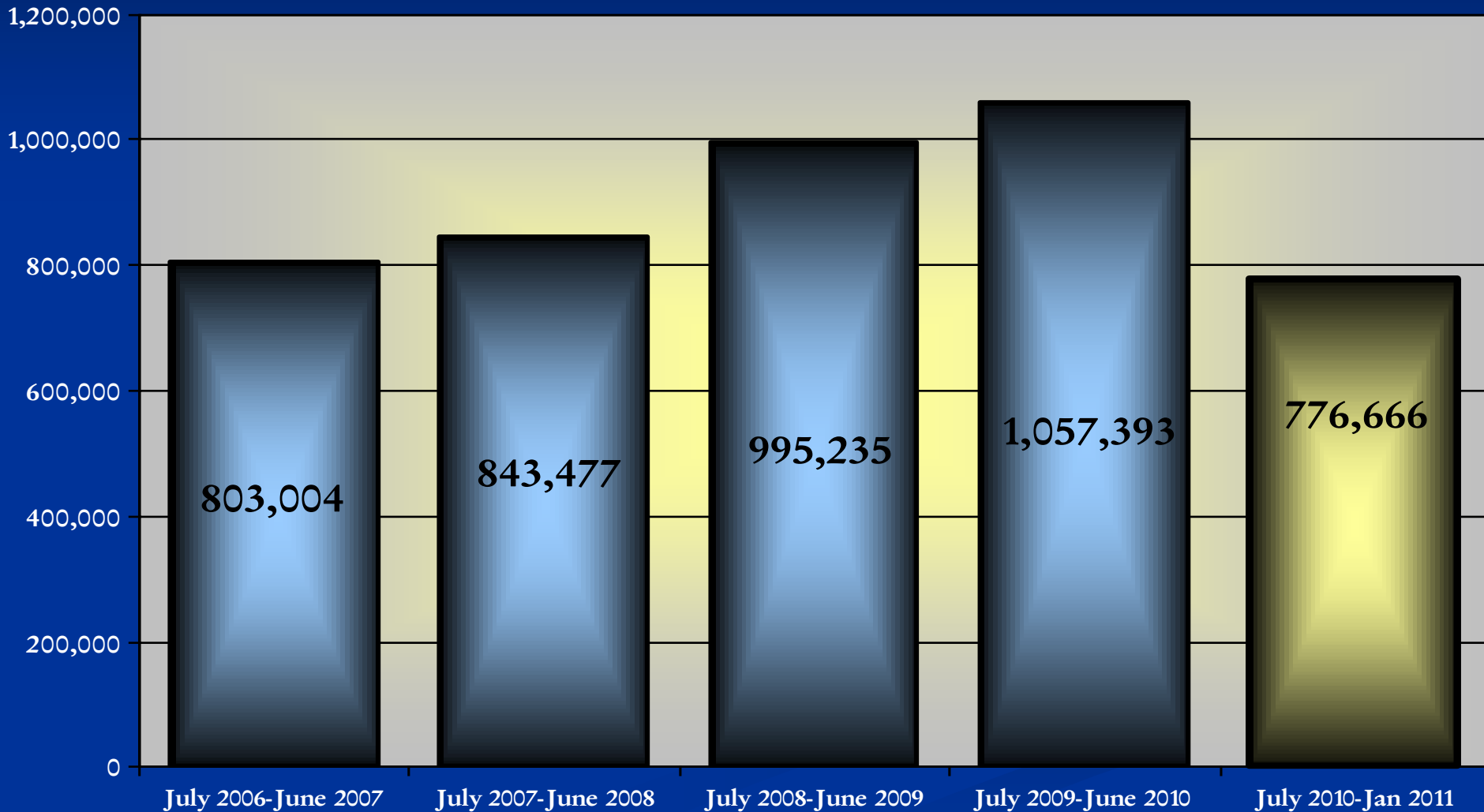
# Employment Security Commission

- ◆ Services are provided through a variety of access points:
  - ◆ Local and Branch Offices
  - ◆ Call Centers
  - ◆ Internet
  - ◆ Central Office
- ◆ Approximately 163 access points
  - ◆ 60 Local and 30 Branch Offices
  - ◆ 37 Non-ESC JobLink Career Centers
  - ◆ 36 Itinerant/ Part-time Sites

# North Carolina Employment Security Commission Local and Branch Offices



# Employment Services Registered Applicants



# Unemployment Insurance

- ◆ Collection of Contributions from Employers
- ◆ Operation of Unemployment Insurance Benefit System

# Purpose of the UI Trust Fund

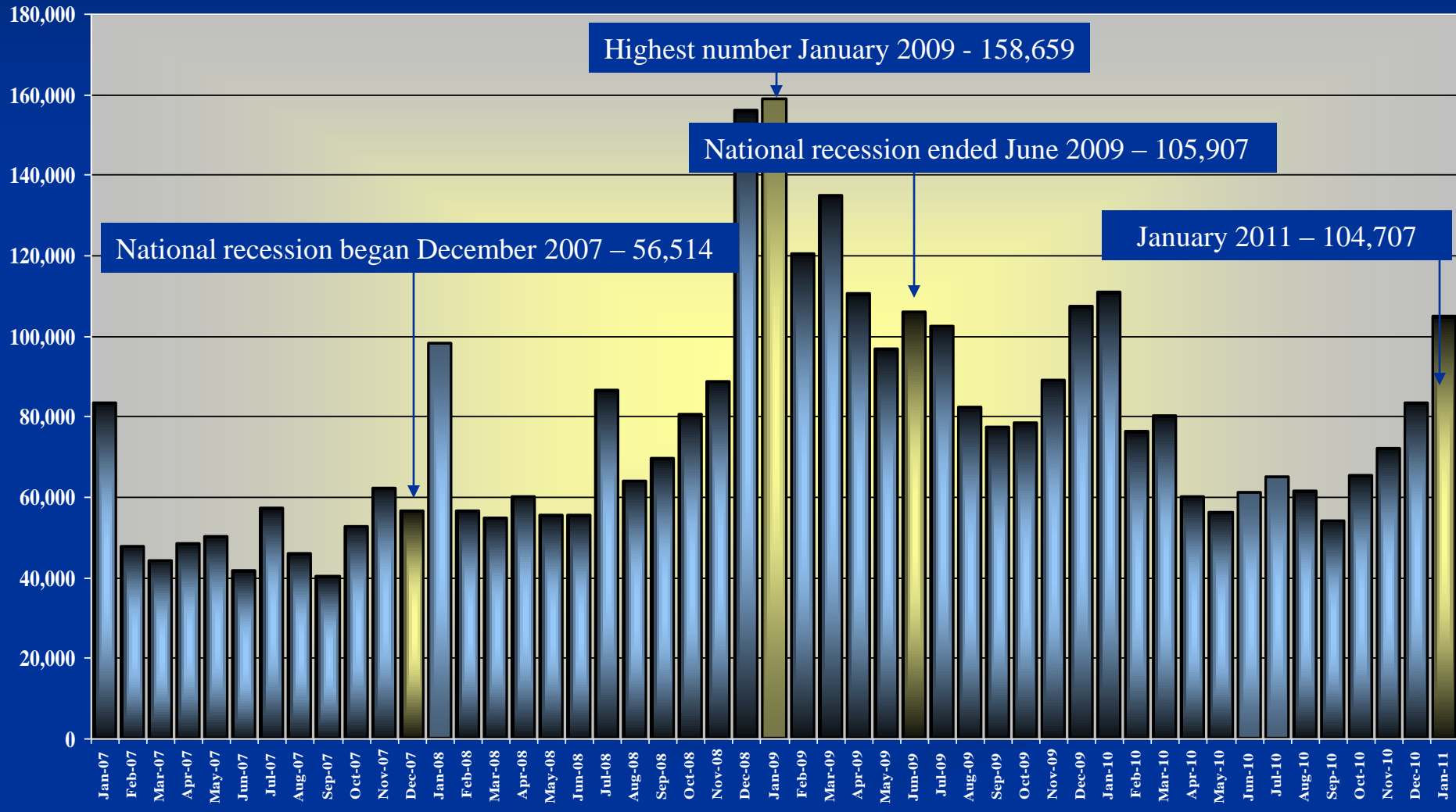
- ◆ Provide temporary assistance to those who have lost their jobs through no fault of their own
- ◆ Help stabilize the economy in times of economic downturn.

# Unemployment Insurance

- ◆ Total Benefits Paid
  - ◆ February 2010-January 2011
    - ◆ \$5.3 Billion
- ◆ State Benefits Paid
  - ◆ February 2010-January 2011
    - ◆ \$1.9 Billion
- ◆ Total UI Taxes Collected
  - ◆ February 2010-January 2011
    - ◆ \$975 Million

# Regular Initial Claims

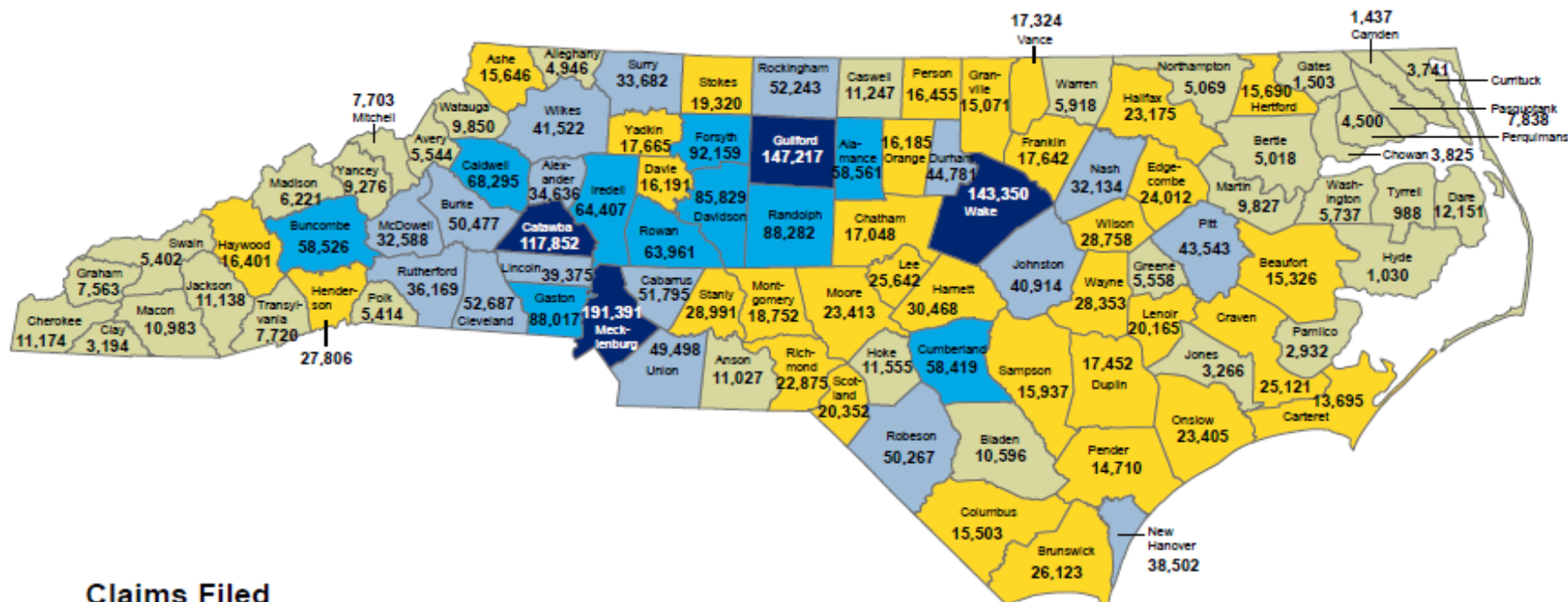
## January 2007-January 2011



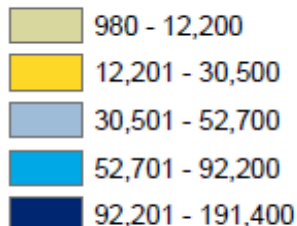
# North Carolina

## Regular Initial Claims Filed by County

### January 2008-December 2010



#### Claims Filed



Statewide 3,033,167

Note: County data does not sum to statewide total.

Source: ETA Reporting

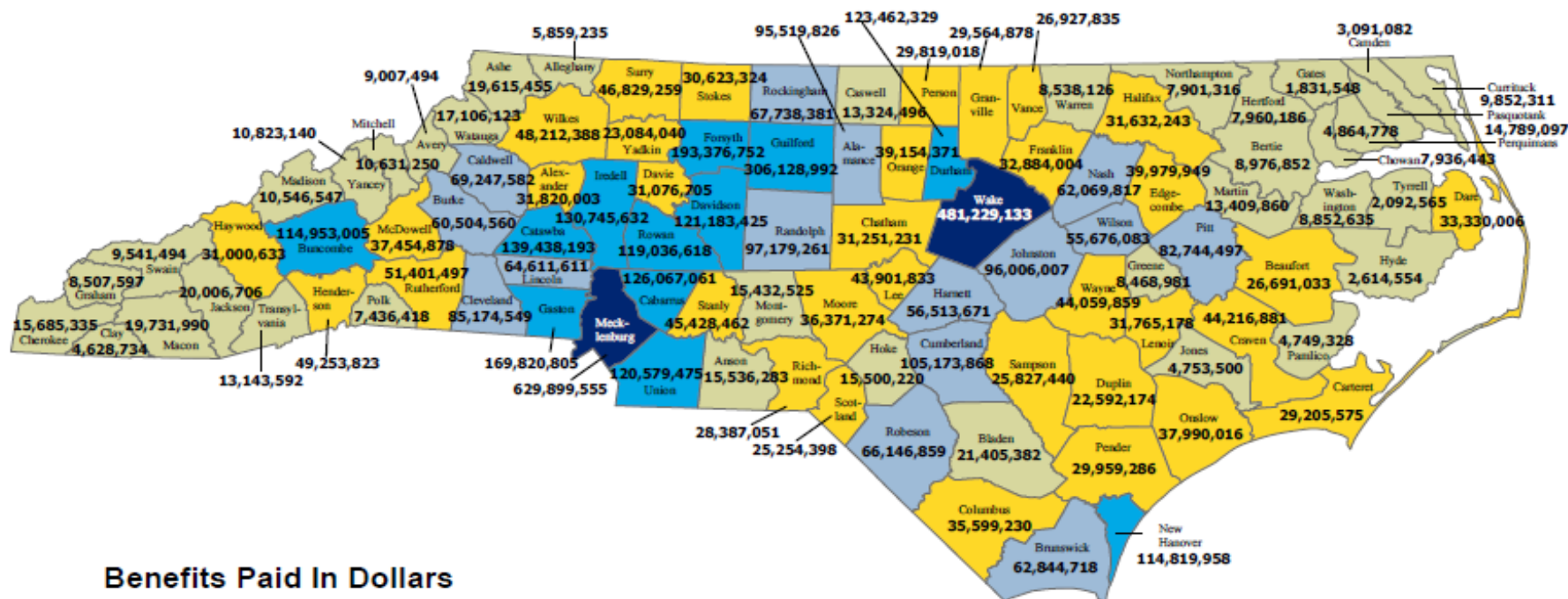
Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 2\_2011



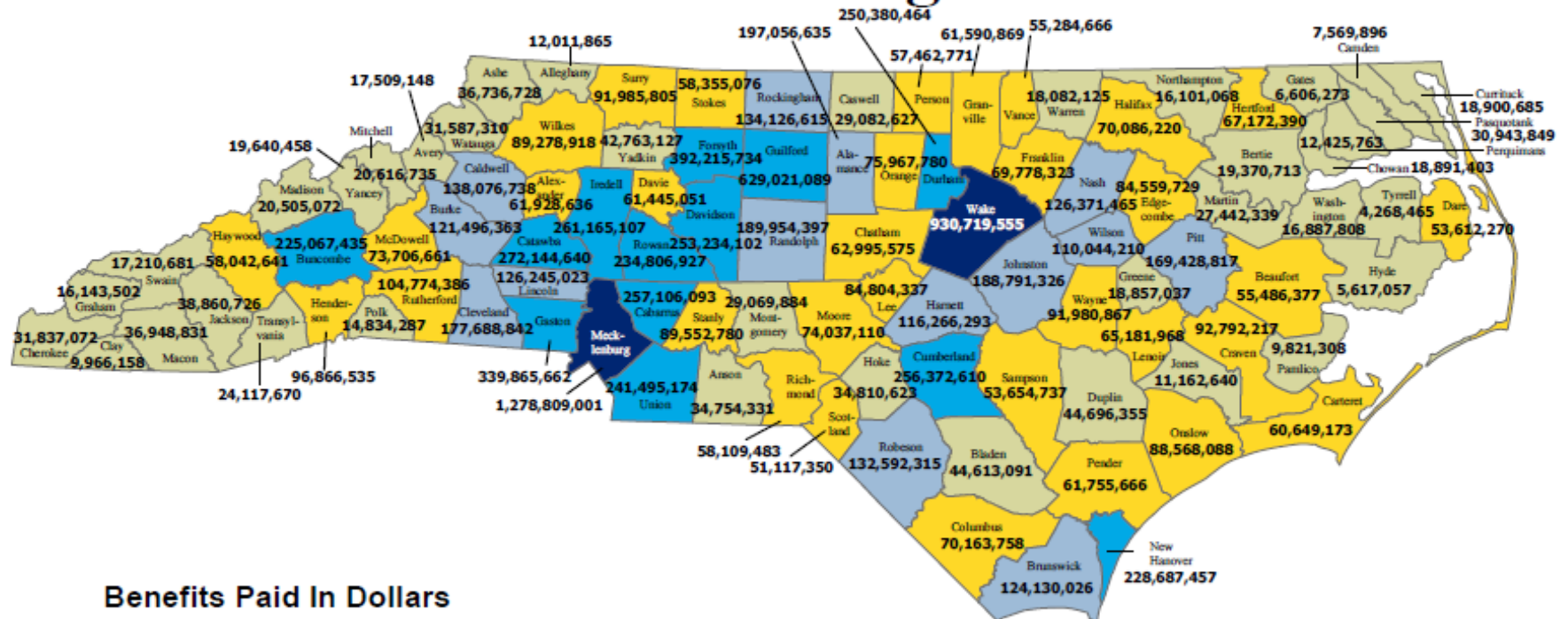
# North Carolina

## UI Benefits Paid by County

### January 2008-December 2010



## Total All Programs



Statewide \$11,917,266,824

Note: All programs include Regular Unemployment Insurance (UI), Emergency Unemployment Compensation Tier I (EUCI), Emergency Unemployment Compensation Tier II (EUCII), Emergency Unemployment Compensation Tier III (EUCIII), Emergency Unemployment Compensation Tier IV (EUCIV), Extended Benefits (EB) and Federal Additional Compensation (FAC). County data does not sum to statewide total.

Source: Employment Security Commission of North Carolina (ESC), Information Systems (IS)

Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 2 2011

# Unemployment Insurance

## ◆ Benefit Weeks

### ◆ Regular Unemployment Insurance

- ◆ UI – 26 weeks

### ◆ Extended Benefits –

- ◆ EB – 20 weeks

### ◆ Extended Unemployment Compensation Tier I

- ◆ (EUC Tier I) – 20 weeks

### ◆ Extended Unemployment Compensation Tier II

- ◆ (EUC Tier II) – 14 weeks

### ◆ Extended Unemployment Compensation Tier III

- ◆ (EUC Tier III) – 13 weeks

### ◆ Extended Unemployment Compensation Tier IV

- ◆ (EUC Tier IV) – 6 weeks

◆ Individuals may be eligible for up to 99 weeks of benefits

# UI Appeals Decisions

◆ Appeals Referee	53,565
◆ Claimant	37,407
◆ Ruled in Favor	49.3%
◆ Employer	16,158
◆ Ruled in Favor	54.6%
◆ Second Level Appeals	10,576
◆ Claimant	7,926
◆ Ruled in Favor of Employer	80.9%
◆ Employer	2,650

# NC UI Benefit Payments

- ◆ January 2010 – December 2010
  - ◆ \$5.43 Billion Total Benefits
  - ◆ \$3.45 Billion Federal Benefits
  - ◆ \$1.98 Billion in State Benefits
  - ◆ \$955.2 Million in Tax Collections  
(Trust Fund and State Reserve)

# Labor Market Information

- ◆ Collection, Estimation, Research, Analyses and Provision of Workforce and Economic Information
  - ◆ Bureau of Labor Statistics
    - ◆ Five Federal State Cooperative Programs
  - ◆ Employment and Training Administration
    - ◆ Workforce Information Products and Services
  - ◆ Research, Analyses and Reporting
    - ◆ Reporting and Analyses
    - ◆ Common Follow-up System (CFS)



# Labor Market Information

## Data Collection

5 Bureau of Labor  
Statistics (BLS) Federal  
State Cooperative  
Programs:

QCEW  
CES  
LAUS  
OES  
MLS

Special Surveys

## Research, Analysis & Reporting

National, State and  
Regional Economic  
Analyses

Industry and  
Occupational Trends

Common Follow-up  
System (CFS)

ES/UI Operations

Federal Performance

Census LED Project

## Communication, Outreach & Training

Dissemination of  
Economic and  
Workforce Information

Outreach and Training to  
Employers, Economic  
Development, Workforce  
Development, Education  
Community,  
Governmental Officials  
and Public

Reports, newsletters,  
brochures and web  
applications.

# Potential Issues

## ◆ Back Office Functions

- ◆ ESC and Commerce Operate on 2 different Accounting Systems
- ◆ ESC does not operate a traditional budget process. Over 250 individual budgets for each funding source for each fiscal year
- ◆ ESC has 2 separate check writing systems (UI and Administration.) Key own invoices and generate own checks
- ◆ ESC has a separate Purchase Order Process
- ◆ ESC utilizes a separate TIME and Leave System that interfaces with BEACON



# Potential Issues

- ◆ Back Office Functions - continued
  - ◆ ESC has a federal testing requirement for specific classification of employees
  - ◆ ESC does not receive any additional funding when legislative raises are given. Raises usually result in position reductions.

# Potential Issues

## ◆ Funding Issues

- ◆ 100% of the funds received must be used for the operation of the specific grant requirements. Funds commingled or used for other purposes are subject to OIG investigation
- ◆ LMI is dependent on the UI system due to the UI quarterly wage reporting and UI claims data
- ◆ The Bureau of Labor Statistics (BLS) requires an apolitical environment for the release of the Labor Force (Unemployment Rate, etc.) and Employment (Jobs) data

# Potential Issues

## ◆ Funding Issues - continued

- ◆ Marketing / Advertising costs are “unallowable” to the federal grants that ESC receives unless they specifically discuss the program being operated by the federal grant.
- ◆ ESC funds are counter-cyclical to the economy. There is a strong likelihood of significant decreases in the federal funding ESC receives in the coming year.
- ◆ Administering the WIA program (Commerce) and being a service provider (ESC) are vastly different in North Carolina. If these functions are combined under one entity, USDOL requires arms length agreements for performance and accountability.

# Potential Issues

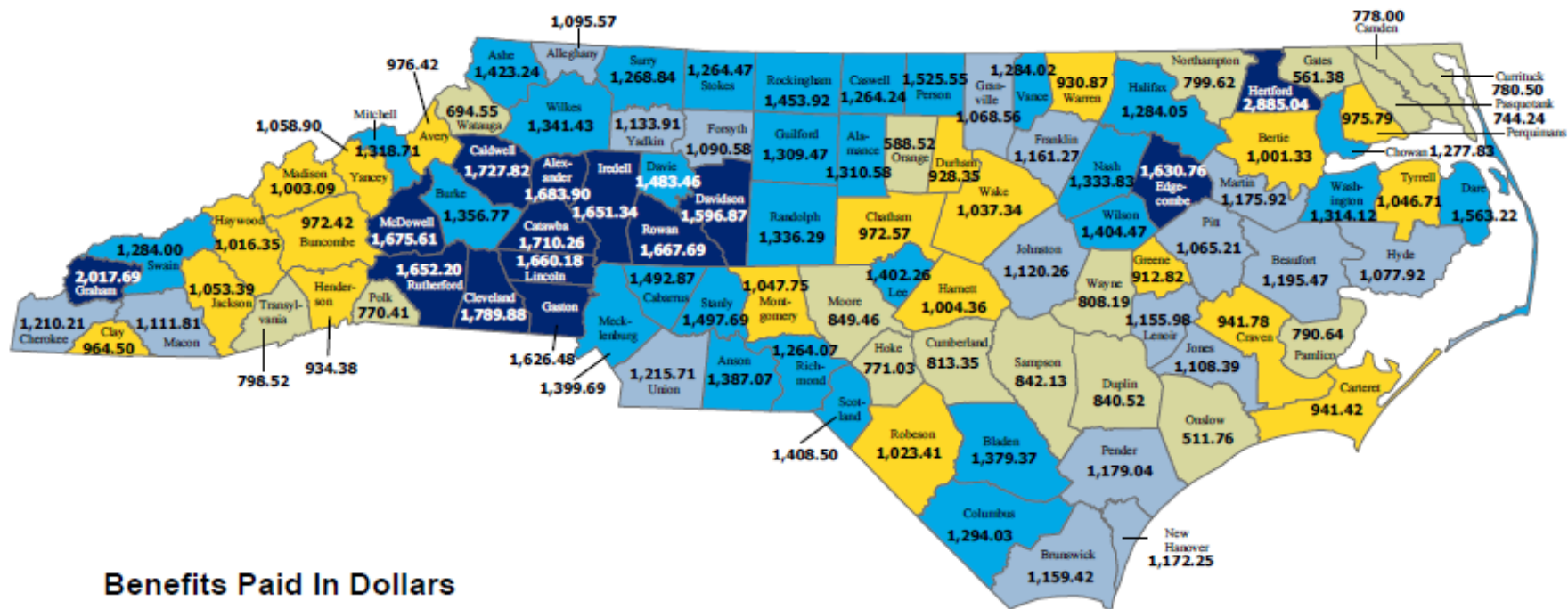
## ◆ Funding Issues - continued

- ◆ ESC hosts the largest number of JobLink centers.  
ESC is the largest single provider of WIA services.

## ◆ ESC Local Offices

- ◆ ESC offices are paid from a variety of funding sources

**North Carolina  
Total All Programs  
Per Capita Benefits Paid  
January 2008-December 2010**



Statewide \$1,270.38

Note: All programs include Regular Unemployment Insurance (UI), Emergency Unemployment Compensation Tier I (EUCI), Emergency Unemployment Compensation Tier II (EUCII), Emergency Unemployment Compensation Tier III (EUCIII), Emergency Unemployment Compensation Tier IV (EUCIV), Extended Benefits (EB) and Federal Additional Compensation (FAC). County data does not sum to statewide total.

Source: Employment Security Commission of North Carolina (ESC), Information Systems (IS); Census Bureau Population Estimates July 2009.  
Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 2011



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